

RÖHLIG

EXPERTS
Röhlig **UPDATE**
LOGISTICS

October 2021

RÖHLIG ASIA MARKET UPDATE

Dear Röhlig customers,

As we press on into Q4, challenges surrounding space and scheduling delays persist across Air and Sea. Below our local teams detail the current climate and what customers can expect as we edge closer to year-end.

NORTH ASIA

GREATER CHINA

The Golden Week national holiday runs from October 1-7 in China and October 1 in Hong Kong. During this time, some logistics processes may be slower due to staff being on leave. However, due to recent restrictions and quarantine measures already in effect at ports and airports, the holiday is unlikely to have a significant impact on operations.

Air Freight handling capacity remains low at airports across China due to ongoing strict labour quarantine policies introduced last month. With handling capacity at around half the normal level, a reduction in schedules and increased flight cancellations are expected to persist into next month. Meanwhile, electronic products scheduled to export in late October should give rise to an increase in cargo.

FCL space to Oceania is getting tighter, with premium rates often being the key to securing space. There is port congestion in the T/S port, waiting time to catch-up to the second leg is around 4-8 weeks.

Rail continues to be a viable alternative to Air Freight and is currently easier to book, but rates are still failing to budge.

SOUTH KOREA

Sea Freight containers and cargo are mired in congestion issues at Busan port. The recent Typhoon Chanthu crossing from China's East coast also delayed schedules, however any disruption should be alleviated by early October.

DISCLAIMER - All information is provided in good faith for guidance and reference purposes only. It is of a general informational nature, and Röhlig China Limited takes no legal responsibility for the accuracy of the information provided via this document. Röhlig China Limited makes no representation as to the accuracy or completeness of any of the information contained herein and accepts no liability for any loss arising from the use of the information provided.



REPORTS LOG



Air Freight rates continue to rise, maintaining peak levels for 20 weeks in a row. Due to the impact of Covid-19, most air shipments are emergency in nature, with additional cargo moved over to Air from Sea Freight, further pushing up rates and adding pressure on smaller enterprises.

SOUTH EAST ASIA

The Sea Freight market continues to suffer from heavy restrictions on vessel capacity, especially to Oceania and North America. Some carriers report significant roll over and congestion in key transshipment ports, resulting in delays of 2-8 weeks for the connection of containers. September saw many carriers suspending new bookings on South East Asia origin ports where feeder vessels are used into those key transshipment ports, all in an attempt to alleviate the flow of containers and allow carriers to focus on evacuating the rolling pool ahead of the coming Q4 peak season. Whilst equipment supply appears to be sufficient, looking ahead to October and Q4 we see continued challenges on many trades with limited capacity available. Schedule reliability continues to add to the challenge, with almost all vessels being delayed. It's likely carriers will continue to blank/void sailings for some vessels on selected ports in order to try and recover schedule dates. This may put further pressure on vessel capacity. All customers are advised to forecast at least 4 weeks in advance. We currently have sufficient capacity available for all customers.

In terms of LCL, LCL CFS depots operate with limited capacity and are designed to be cross docking transitional facilities only, with cargo moving in/out relatively quickly. Delays on scheduled liner services and port congestion therefore greatly impacts LCL CFS depots. As cargo flow slows, more and more cargo is being held for short-term periods at the depots leading to congestion and further delay. Due to a knock-on effect, customers with import cargo can expect continued delays on arrival. Likewise customers with export cargo can expect to see continued delays on departure. These delays risk increased charges being incurred for storage, detention or demurrage. CFS depots across the region are under significant strain not only due to current high LCL cargo volumes, but also due to the above mentioned delays on cargo arrival/departure. As with last month's update, there are reports of some LCL CFS depots suspending acceptance of new bookings due to these conditions. We would like to assure customers that Röhlig operated services are thankfully not affected. Our own LCL CFS depots are managing well with current volumes and have sufficient capacity to absorb additional new volumes.

DISCLAIMER - All information is provided in good faith for guidance and reference purposes only. It is of a general informational nature, and Röhlig Logistics GmbH & Co. KG takes no legal responsibility for the accuracy of the information provided via this document. Röhlig Logistics GmbH & Co. KG makes no representation as to the accuracy or completeness of any of the information contained herein and accepts no liability for any loss arising from the use of the information provided.



ROHLIG EXPERTS LOG



The South East Asia Air freight market is stable, though space remains limited due to the ongoing impact of Covid-19. Whilst some countries are having more success than others to open borders and encourage an increase in travel numbers, we do not yet foresee any marked increase in flight frequency or capacity over the coming months. With increased peak season demand just around the corner we do expect some short term rise in air freight costs along with possible extended transit times especially as volumes build through the key airport gateways and hubs servicing this region. With an extensive network of own Röhlig scheduled Air Freight consol products, we are ensuring sufficient capacity is available for all customers as we look ahead to the year-end peak season.

Malaysia

Air Freight space to USA and Europe is approaching critical levels due to recent backlogs at major airports in the USA.

As the year-end approaches, Sea Freight exports to USA, Europe, South Africa, India and Middle East remain a challenge.

Warehouse demand is high right now owing to high levels of overflow cargo amid global supply chain chaos. The pandemic continues to disrupt supply chains worldwide with a knock-on effect in South East Asia.

Indonesia

Freight movement in India remains a challenge. Carriers are currently turning away some bookings citing space and congestion issues.

Thailand

Air Freight space remains tight due to a looming backlog at BKK Airport, and rates continue to climb as a result. Covid-19 is also still having an impact with transit flights being postponed and delayed.

INDIA

All ports, ICDs and CFS are operating as normal. Competition for container space is fierce. We are able to cater to all FCL business provided forecasts are received at least 4 weeks in advance. Shipping lines are currently refusing to carry heavy boxes and hazardous cargo, so delays are expected.

DISCLAIMER - All information is provided in good faith for guidance and reference purposes only. It is of a general informational nature, and Röhlig Logistics GmbH & Co. KG takes no legal responsibility for the accuracy of the information provided via this document. Röhlig Logistics GmbH & Co. KG makes no representation as to the accuracy or completeness of any of the information contained herein and accepts no liability for any loss arising from the use of the information provided.



RÖHLIG EXPERTS



On the West coast, covering shipments at Nhava Sheva/JNPT (Jawaharlal Nehru Port) , traffic police have imposed traffic restrictions stating that, effective 25th September 2021, JNPT vehicles carrying containers and all other types of heavy vehicles from the port are completely banned on all city routes from 06.00 to 23.00 every day until further notice.

Meanwhile, domestic Air Freight Operations remain under control, including transportation, customs brokerage and airport handling. There are no issues as such regarding export space to EU, but there are some challenges for the US. Generally, paying a higher price increases the likelihood of securing space. As imports to India are also large-scale, we're also seeing some difficulty in finding space at desirable rates, a trend which applies to all countries.

In terms of flight operations, a boost in vaccinations has helped to alleviate the number of Covid-19 cases. The Government of India is therefore looking into the possibility of resuming passenger flights to India in the first week of October, which hopefully ought to ease the space situation for inbound and outbound cargo.

Our Röhlig Asia teams are ready to support you.
Find direct contacts to our offices [HERE](#).

HOLIDAYS

October 1-7	National Week (China)
October 1	National Day (Hong Kong)
October 2	Gandhi Jayanthi (India)
October 3-4	National Foundation Day (Korea)
October 9-11	Hangeul Day (Korea)
October 10-11	National Day (Taiwan)
October 13	H.M King Bhumibol Adulyadej The Great Memorial Day (Thailand)
October 14	Chung Yeung Festival (Hong Kong)
October 15	Dussehra (India)
October 19	Eid-e-Milad (India)
October 19	Prophet Muhammad's Birthday (Malaysia)
October 20	Birth of the Prophet Muhammad (Indonesia)
October 22	Substitution for Chulalongkorn Day (Thailand)

DISCLAIMER - All information is provided in good faith for guidance and reference purposes only. It is of a general informational nature, and Röhlig Logistics GmbH & Co. KG takes no legal responsibility for the accuracy of the information provided via this document. Röhlig Logistics GmbH & Co. KG makes no representation as to the accuracy or completeness of any of the information contained herein and accepts no liability for any loss arising from the use of the information provided.

